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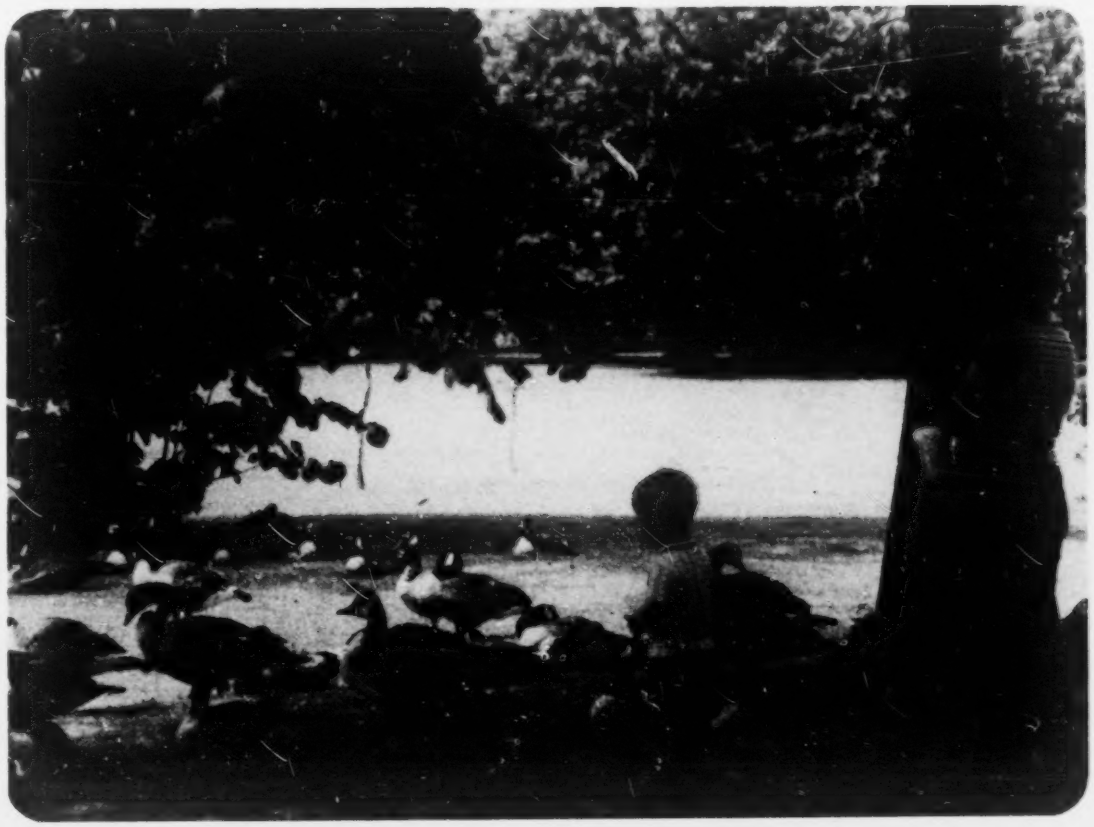
WISCONSIN ECONOMIC INDICATORS

FEBRUARY 1986



DILHR
DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCE
L1	Composite Index of Leading Indicators	Wis.Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wis. Dept. of Industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wis. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wis. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
L8	Building Plans Examined	Wis. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wis. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wis. Department of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Securities Registrations	Wisconsin Commissioner of Securities
C7	Manufacturing Employment	Wis. Dept. of Industry, Labor and Human Relations
C8	Average Weekly Earnings, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wis. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wis. Department of Health and Social Services
X2	Death Registgrations	Wis. Department of Health and Social Services
X3	Natural Net Gain in Population	Wis. Department of Health and Social Services
X4	Marriage Registrations	Wis. Department of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wis. Dept. of Industry, Labor and Human Relations
X9	Unemployment Compensation Exhaustees	Wis. Dept. of Industgry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the Census Method II Seasonal Adjustment Program. The adjusted data are plotted on arithmetic scales.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Standard Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading or coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically. The indicators are grouped by cyclical timing.

COVER PHOTO: Courtesy of Wisconsin Division of Tourism.

THE WISCONSIN ECONOMY

SUMMARY FOR JANUARY

JANUARY'S LEADING INDICATORS OF ECONOMIC ACTIVITY THROUGHOUT THE STATE WERE EVENLY MIXED...SOME POINTED UP; SOME, DOWN. EMPLOYMENT IS DOWN AND UNEMPLOYMENT IS UP, BUT THAT IS NORMAL FOR THIS MONTH.

LEADING INDICATORS

While the leading indicators were mixed in January, the composite index of leading indicators increased by 3.4 percent. That is because, in the index, each indicator is weighted according to its predictive power.

Production workers in Wisconsin's manufacturing industries spent fewer hours per week on the job in January. The average workweek decreased by one full hour. Though much of the workweek decrease is seasonally normal, a portion does represent a downward trend from the previous month.

Offsetting the hours decrease is an increasing trend in manufacturing employment. Though manufacturing employment did decrease, it did so by less than the normal seasonal amount for January.

The number of laid off workers filing initial claims for unemployment compensation decreased by over two thousand per week during January. That is subpar for this month. A seasonally normal decrease would have been about 2,700 per week.

The number of building plans examined increased in January. Usually, plans examined decreases then. Building plans for commercial and industrial structures are examined by state officials for safety purposes.

A growth of the plans-examined number usually indicates growth of construction employment in the near future, and may translate to increased employment at expanded or new facilities after completion.

WISCONSIN LABOR FORCE

Wisconsin's employment level decreased by nearly 70 thousand during mid-January. While that seems like a large drop, it is not grossly out of line for a December-to-January change.

Many of the temporary and part-time workers hired for December's holiday season are laid off in January. During the previous five years, January employment decreased by an average of over 60 thousand.

Throughout the nation, employment in January decreased by over one million. Thus, Wisconsin's decrease is not unusual. However, when accounting for the usual seasonal pattern, the state's employment trend is still down, albeit not as severely as the December-to-January figures suggest.

The number of unemployed in Wisconsin rose sharply in January. But again, that is typical for this month. January unemployment has increased by an average of over 22 thousand since 1980.

As unemployment increased, employment decreased by an even greater amount. The combination resulted in a labor force - both job holders and job seekers - that shrunk by almost 47 thousand. Most of those who became unemployed in January left the labor force.

To again illustrate the seasonal nature of January's labor force change, the unemployment rate for Wisconsin increased by 1.1 percentage points. But, after adjusting for seasonal trends, the rate grew by only one-tenth of a percentage point.

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES Latest Month		Mo/Ago	Yr/Ago	% CHANGE Mo/Ago	Yr/Ago	AVG. 1985
LEADING INDICATORS								
L1 COMPOSITE INDEX OF LEADING INDICATORS								
Seasonally Adjusted	INDEX	104.3	Jan	100.9	77.3	3.4	34.9	84.3
L2 AVG. WORK WEEK, MFG.								
Unadjusted	HOURS	41.5	Jan	42.5	41.0	-2.4	1.2	41.1
Seasonally Adjusted		41.5		41.8	41.0	-0.7	1.2	
L3 AVG. OVERTIME HOURS, MFG.								
Unadjusted	HOURS	3.8	Jan	4.1	3.2	-7.3	18.8	3.3
Seasonally Adjusted		3.9		3.9	3.3	0.0	18.2	
L4 AVG. WEEKLY INITIAL CLAIMS								
Unadjusted	NUMBER	12,693	Jan	14,811	15,068	-14.3	-15.8	10,380
Seasonally Adjusted		10,090		9,630	11,976	4.8	-15.7	
L5 TOTAL JOB OPENINGS REC.								
Unadjusted	NUMBER	6,188	Jan	6,997	7,985	-11.6	-22.5	8,228
Seasonally Adjusted		8,351		9,000	10,776	-7.2	-22.5	
L6 NEW BUSINESS INCORPORATIONS								
Unadjusted	NUMBER	575	Jan	516	631	11.4	-8.9	542
Seasonally Adjusted		614		513	673	19.7	-8.8	
L7 NET GAIN IN BUSINESS PHONES ACCESS LINES								
Unadjusted	NUMBER	1,547	Jan	4,890	-115	-68.4	1445.2	1,356
Seasonally Adjusted		2,499		2,388	914	4.6	173.4	
L8 BUILDING PLANS EXAMINED								
Unadjusted	NUMBER	465	Jan	434	290	7.1	60.3	526
Seasonally Adjusted		724		588	452	23.1	60.2	
ROUGHLY COINCIDING INDICATORS								
C1 HELP-WANTED INDEX (MILW.)								
Seasonally Adjusted	INDEX	55	Jan	62	56	-11.3	-1.8	55
C2 UNEMPLOYMENT RATE, TOTAL								
Unadjusted	PERCENT	8.5	Jan	7.4	9.0	-	-	7.2
Seasonally Adjusted		7.1		7.0	7.5	-	-	
C3 NATURAL GAS SALES								
Unadjusted	MIL. THERMS	301.3	Nov	186.5	305.6	61.6	-1.4	
Seasonally Adjusted		264.8		236.4	268.5	12.0	-1.4	
C4 NEW CAR REGISTRATIONS								
Unadjusted	NUMBER	16,150	Jan	9,975	16,489	61.9	-2.1	16,697
Seasonally Adjusted		18,405		14,506	18,791	26.9	-2.1	
C5 ELECTRIC POWER SALES								
Unadjusted	MIL. KWH	1835.6	Nov	1934.6	1851.0	-5.1	-0.8	
Seasonally Adjusted		1857.9		1911.7	1872.7	-2.8	-0.8	
C6 TOTAL SECURITIES REGISTRATIONS								
Unadjusted	MIL. DOL.	86.5	Jan	96.0	93.1	-9.9	-7.1	131.3
Seasonally Adjusted		81.1		101.4	87.4	-20.0	-7.2	

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES Latest Month		Mo/Ago	Yr/Ago	% CHANGE Mo/Ago	Yr/Ago	AVG. 1985
C7 MANUFACTURING EMPL.								
Unadjusted	THOUS.	508.5	Jan	512.9	507.8	-0.9	0.1	515.2
Seasonally Adjusted		518.9		517.2	518.3	0.3	0.1	
C8 AVG. WEEKLY EARNINGS, MFG.								
Unadjusted	DOLLARS	434.51	Jan	448.38	422.71	-3.1	2.8	421.57
Seasonally Adjusted		431.06		433.99	419.17	-0.7	2.8	
C9 CASH RECEIPTS FROM FARM MKTG.								
Unadjusted	MIL. DOL.	450.4	Nov	427.9	476.4	5.3	-5.5	
Seasonally Adjusted		404.7		431.8	428.0	-6.3	-5.4	
C10 CONTRACT CONSTRUCTION EMPL.								
Unadjusted	THOUS.	56.5	Jan	62.0	52.9	-8.9	6.8	62.8
Seasonally Adjusted		68.7		63.0	64.3	9.0	6.8	
OTHER KEY INDICATORS								
X1 BIRTH REGISTRATIONS								
Unadjusted	NUMBER	5,896	Jan	5,414	6,500	8.9	-9.3	6,141
Seasonally Adjusted		5,454		6,039	6,014	-9.7	-9.3	
X2 DEATH REGISTRATIONS								
Unadjusted	NUMBER	4,137	Jan	3,447	4,339	20.0	-4.7	3,475
Seasonally Adjusted		3,328		3,627	3,490	-8.2	-4.6	
X3 NATURAL NET GAIN POPULATION								
Unadjusted	NUMBER	1,759	Jan	1,967	2,161	-10.6	-18.6	2,666
Seasonally Adjusted		2,094		2,478	2,571	-15.5	-18.6	
X4 MARRIAGE REGISTRATIONS								
Unadjusted	NUMBER	2,042	Jan	1,879	2,268	8.7	-10.0	3,360
Seasonally Adjusted		3,118		3,168 (Nov)	3,461	-1.6	-9.9	
X5 CONSUMER PRICE INDEX (MILW.)								
Unadjusted	INDEX	353.0	Jan	333.9	324.6	5.7	8.7	330.5
X6 PRICES RECEIVED BY FARMERS								
Unadjusted	INDEX	132	Jan	133	146	-0.8	-9.6	133
Seasonally Adjusted		130		135	143	-3.7	-9.1	
X7 NET GAIN IN RESIDENTIAL PHONES ACCESS LINES								
Unadjusted	NUMBER	1,584	Jan	-204	2,805	876.5	-43.5	1,615
Seasonally Adjusted		1,242		1,161	1,839	7.0	-32.5	
X8 LABOR DISPUTES, NO. OF WORKERS								
Unadjusted	NUMBER	489	Jan	0	440	100.0	11.1	450
Seasonally Adjusted		722		0	650	100.0	11.1	
X9 UNEMPL. COMPENSATION EXHAUSTEES								
Unadjusted	NUMBER	25,575	Jan	24,923	24,617	2.6	3.9	26,616
Seasonally Adjusted		29,162		28,632	28,054	1.9	3.9	

Section

B

LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES JANUARY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Unadjusted					
CIVILIAN LABOR FORCE	2342.8	2389.7	2356.4	-2.0	-0.6
Employment (Inc. Labor Disputes)	2144.1	2213.6	2144.9	-3.1	-0.0
Unemployment	198.7	176.1	211.4	12.8	-6.0
Unemployment Rate	8.5	7.4	9.0	-	-
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2386.4	2392.5	2397.5	-0.3	-0.5
Employment (Inc. Labor Disputes)	2217.3	2223.9	2217.6	-0.3	-0.0
Unemployment	169.1	168.6	179.9	0.3	-6.0
Unemployment Rate	7.1	7.0	7.5	-	-

WISCONSIN EMPLOYMENT ESTIMATES JANUARY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
TOTAL NONFARM WAGE AND SALARY WORKERS	1958.3	2001.0	1921.4	-2.1	1.9
Unadjusted					
Manufacturing	508.0	512.9	507.4	-1.0	0.1
Mining	1.6	1.8	1.3	-11.1	23.1
Contract Construction	56.5	62.0	52.9	-8.9	6.8
Transportation and Public Utilities	92.0	95.2	90.8	-3.4	1.3
Elec., Gas and Sanitary Services	17.2	17.2	17.0	0.0	1.2
Wholesale Trade	97.3	99.1	97.5	-1.8	-0.2
Retail Trade	355.9	376.4	349.3	-5.4	1.9
General Merchandise	48.1	50.9	49.8	-5.5	-3.4
Finance, Insurance and Real Estate	104.7	105.2	101.6	-0.5	3.1
Banking	28.4	28.5	27.7	-0.4	2.5
Insurance	34.7	34.6	33.9	0.3	2.4
Service and Miscellaneous	415.8	417.9	403.4	-0.5	3.1
Hospitals	65.6	65.8	67.5	-0.3	-2.8
Private Education	23.1	24.2	24.4	-4.5	-5.3
Government	326.6	330.5	317.2	-1.2	3.0
State Government	83.9	84.1	81.1	-0.2	3.5
Local Government	215.1	218.7	209.5	-1.6	2.7

UNITED STATES LABOR FORCE ESTIMATES JANUARY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	116,786	116,229	114,754	0.5	1.8
Employment	108,955	108,206	106,315	0.7	2.5
Unemployment	7,831	8,023	8,439	-2.4	-7.2
Unemployment Rate	6.7	6.9	7.4	-	-

MANUFACTURING EMPLOYMENT *(Unadjusted)* JANUARY	(In Thousands) Latest Month	Month Ago	Year Ago
All Manufacturing (Including Canning)	508.0	512.9	507.4
All Manufacturing (Excluding Canning)	500.9	505.4	499.8
Durable Goods	313.4	317.3	317.5
Lumber and Wood Prod., (Except Furniture)	22.7	22.9	21.3
Sawmills and Planning Mills	3.3	3.3	3.3
Millwork, Veneer, Plywood & Prefab. Wood Prod.	10.6	10.8	9.9
Furniture and Fixtures	10.6	10.1	10.2
Household Furniture	4.3	4.4	4.2
Stone, Clay and Glass Products	7.1	7.5	6.8
Concrete, Gypsum and Plaster Products	3.1	3.5	2.7
Primary Metal Industries	19.2	19.1	19.1
Iron and Steel Foundries	10.3	10.2	10.5
Fabricated Metal Products	51.3	51.5	51.8
Heating Equipment (Except Electrical) & Plumbing Fixtures	5.8	5.8	6.3
Fabricated Structural Metal Products	12.5	12.6	12.2
Metal Stampings	10.7	10.9	11.6
Machinery (Except Electrical)	101.0	101.5	100.9
Engines and Turbines	19.1	18.9	20.2
Farm Machinery and Equipment	12.5	12.4	11.2
Const., Min. & Material Handling Mach. & Equip.	10.9	11.0	11.6
Metalworking Machinery and Equipment	11.8	11.9	11.5
Special Industry Machinery (Except Metalworking)	12.3	12.9	12.3
General Industrial Machinery and Equipment	13.5	13.6	14.3
Service Industry Machines	7.2	7.4	7.6
Electrical Machinery, Equipment and Supplies	49.9	49.9	51.6
Electrical Industrial Apparatus	17.6	17.6	17.5
Household Appliances	6.2	6.4	6.9
Transportation Equipment	30.7	33.4	34.4
Motor Vehicles and Equipment	23.3	26.1	28.5
Instruments and Related Products	11.6	11.6	11.5
Miscellaneous Manufacturing	9.7	9.7	10.0
Nondurable Goods	194.6	195.6	189.9
Food and Kindred Products	56.7	57.9	56.3
Meat Products	14.2	14.6	13.8
Dairy Products	16.9	17.4	16.2
Canning and Preserving	7.1	7.5	7.6
Bakery Products	4.2	4.2	4.1
Beverage Industries	7.7	7.7	8.2
Textile Mill Products	4.0	4.0	4.0
Knitting Mills	3.2	3.2	3.2
Apparel and Other Finished Products	6.9	6.6	5.8
Paper and Allied Products	47.8	48.1	47.1
Pulp and Paper Mills	29.4	29.5	29.2
Converted Paper and Paperboard Products	10.5	10.5	10.0
Paperboard Containers and Boxes	6.6	6.6	6.7
Printing, Publishing and Allied Industries	38.5	38.4	37.2
Newspapers	12.0	12.0	11.7
Commercial Printing	16.7	16.6	15.7
Chemicals and Allied Products	9.8	10.0	9.7
Rubber and Misc. Plastics Products	23.6	23.3	21.9
Miscellaneous Plastics Products	19.2	18.9	17.2
Leather and Leather Products	7.0	7.2	7.5
Leather Tanning and Finishing	1.7	1.7	1.9
Footwear (Except Rubber)	3.6	3.7	4.0
Other Nondurable Goods	-	-	-

Section

C WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* JANUARY	Average Weekly Earnings			Average Weekly Hours		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$435	$448	$423	41.5	42.5	41.0
All Manufacturing (Excl. Canning)	437	451	424	41.6	42.6	41.0
Durable Goods	448	462	439	41.8	42.7	41.3
Lumber/Wood Prod. (Exc. Furn.)	317	324	303	40.5	41.3	40.2
Furniture and Fixtures	312	335	306	40.4	42.9	41.0
Stone, Clay and Glass Products	400	414	377	41.5	42.5	40.8
Primary Metal Industries	417	447	400	42.5	44.4	40.9
Iron and Steel Foundries	412	461	406	42.7	45.7	40.6
Fabricated Metal Products	421	426	413	40.4	41.0	40.5
Fab. Structural Metal Prod.	441	459	438	42.6	44.6	42.7
Metal Stampings	427	421	397	39.6	39.3	39.3
Machinery (Except Electrical)	509	519	494	43.1	43.8	42.0
Engines and Turbines	590	565	590	44.0	43.2	43.7
Farm Machinery and Equip.	538	549	503	41.6	42.1	41.0
Const. and Related Mach.	493	521	467	43.8	45.6	40.2
Metalworking Mach. and Equip.	543	573	504	44.1	45.5	43.0
Spec. Ind. Mach. (Exc. Metal).	517	533	486	44.4	45.6	43.0
Gen. Industrial Mach. and Equip.	500	518	507	41.7	42.3	41.9
Electrical Mach., Equip. and Supp.	410	420	396	40.5	41.2	40.5
Electrical Industrial Apparatus	431	429	423	40.7	40.5	40.8
Transportation Equipment	621	626	602	44.2	44.4	43.0
Instruments and Related Prod.	350	380	345	39.6	41.9	39.7
Nondurable Goods	414	427	396	41.1	42.2	40.5
Food and Kindred Products	392	406	369	40.4	41.6	39.1
Meat Products	373	378	323	41.5	42.3	38.0
Dairy Products	383	395	375	39.7	40.6	40.0
Textile Mill Products	307	308	299	40.6	41.5	40.2
Apparel and Other Fin. Prod.	237	250	239	37.6	39.5	38.0
Paper and Allied Products	541	560	516	45.1	46.7	45.3
Pulp and Paper Mills	576	592	559	45.6	46.8	46.8
Printing, Pub. and Allied Prod.	424	440	407	39.0	39.8	37.9
Chemicals and Allied Products	447	445	452	41.2	41.1	41.5
Rubber and Misc. Plastics Prod.	332	337	318	39.9	40.4	39.6
Leather and Leather Products.	248	250	258	38.2	39.1	38.4

DATA INCLUDES ALL FULL-TIME AND PART-TIME EMPLOYES WHO WORKED DURING, OR RECEIVED PAY FOR, ANY PART OF THE PAY PERIOD WHICH INCLUDES THE 12TH OF THE MONTH. PROPRIETORS, SELF-EMPLOYED PERSONS, DOMESTIC SERVANTS AND PERSONNEL OF THE ARMED FORCES ARE EXCLUDED. PEOPLE ON SICK LEAVE, VACATIONS, OR HOLIDAYS AND BEING PAID FOR THAT PERIOD BY THEIR EMPLOYER ARE CONSIDERED EMPLOYED. EARNINGS AND HOURS DATA PERTAIN TO PRODUCTION AND RELATED WORKERS IN MANUFACTURING

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Section

C WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* JANUARY	Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	10.47	10.55	10.31	9.99	10.05	9.88
All Manufacturing (Excl. Canning)	10.50	10.58	10.34	10.02	10.08	9.91
Durable Goods	10.71	10.81	10.62	10.24	10.33	10.19
Lumber/Wood Prod. (Exc. Furn.)	7.82	7.84	7.54	7.68	7.66	7.46
Furniture and Fixtures	7.73	7.80	7.47	7.45	7.46	7.35
Stone, Clay and Glass Products	9.63	9.73	9.24	9.34	9.39	9.10
Primary Metal Industries	9.81	10.06	9.78	9.39	9.58	9.45
Iron and Steel Foundries	9.66	10.09	10.01	9.35	9.68	9.74
Fabricated Metal Products	10.43	10.40	10.19	9.90	9.93	9.77
Fab. Structural Metal Prod.	10.35	10.29	10.25	9.90	9.68	9.81
Metal Stampings	10.78	10.70	10.14	9.91	10.34	9.96
Machinery (Except Electrical)	11.80	11.85	11.76	11.29	11.36	11.25
Engines and Turbines	13.41	13.07	13.50	12.55	12.41	12.58
Farm Machinery and Equip.	12.93	13.04	12.27	12.55	12.61	11.90
Const. and Related Mach.	11.26	11.43	11.61	10.86	11.01	11.45
Metalworking Mach. and Equip.	12.31	12.59	11.71	11.69	11.83	11.29
Spec. Ind. Mach. (Exc. Metal).	11.64	11.68	11.31	10.95	10.93	10.71
Gen. Industrial Mach. and Equip.	12.00	12.25	12.09	11.63	11.86	11.77
Electrical Mach., Equip. and Supp.	10.13	10.19	9.79	9.82	9.79	9.65
Electrical Industrial Apparatus	10.58	10.59	10.37	10.28	10.27	10.33
Transportation Equipment	14.04	14.11	14.00	13.29	13.33	13.20
Instruments and Related Prod.	8.84	9.06	8.70	8.72	8.88	8.59
Nondurable Goods	10.08	10.13	9.78	9.57	9.58	9.34
Food and Kindred Products	9.70	9.76	9.43	9.20	9.22	9.01
Meat Products	8.98	8.93	8.50	8.46	8.37	8.17
Dairy Products	9.64	9.73	9.38	9.25	9.29	8.99
Textile Mill Products	7.55	7.43	7.44	7.30	7.19	7.20
Apparel and Other Fin. Prod.	6.30	6.33	6.28	6.29	6.19	6.20
Paper and Allied Products	11.99	11.99	11.39	11.38	11.35	10.84
Pulp and Paper Mills	12.63	12.64	11.95	12.01	12.00	11.37
Printing, Pub. and Allied Prod.	10.87	11.06	10.73	–	–	–
Chemicals and Allied Products	10.85	10.83	10.89	10.62	10.59	10.59
Rubber and Misc. Plastics Prod.	8.33	8.35	8.04	8.04	8.02	7.78
Leather and Leather Products.	6.49	6.40	6.72	6.29	6.19	6.65

ALL CURRENT MONTH DATA ARE PRELIMINARY. DUE TO BENCHMARK REVISIONS, CURRENTLY-PUBLISHED DATA MAY DIFFER FROM PREVIOUSLY-PUBLISHED DATA FOR THE SAME MONTH. WISCONSIN DATA ARE CURRENTLY ADJUSTED TO EMPLOYMENT LEVELS OF 1ST QUARTER 1984. BENCHMARK REVISIONS FOR WISCONSIN TOTAL NONAGRICULTURAL EMPLOYMENT HAVE AVERAGED 1.0 PERCENT DURING THE MOST RECENT THREE YEARS.

Section

C SUMMARY OF RECENT WISCONSIN DATA

EARNINGS AND HOURS, MFG. Production Workers (Unadjusted) JANUARY	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago
United States	$393	$404	$380	40.6	41.6	40.3	9.69	9.72	9.43	-	-
Wisconsin	435	448	423	41.5	42.5	41.0	10.47	10.55	10.31	9.99	10.05
Selected Areas											
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	441	466	426	43.5	45.4	42.5	10.13	10.27	10.03	9.62	9.73
Beloit (City)	400	400	357	41.5	41.6	38.6	9.64	9.62	9.26	-	-
Eau Claire (Eau Claire-Chippewa)	408	418	413	39.3	40.2	41.4	10.39	10.39	9.97	10.10	10.04
Fond du Lac (County)	393	406	391	41.1	42.0	42.3	9.57	9.66	9.25	9.04	9.00
Green Bay (Brown County)	489	507	448	43.0	44.2	41.0	11.37	11.48	10.92	10.61	10.64
Janesville (City)	661	661	642	45.4	45.5	45.4	14.56	14.52	14.15	13.95	13.91
Janesville-Beloit (Rock County)	557	562	529	43.7	44.3	42.7	12.75	12.68	12.38	12.09	11.95
Kenosha (County)	409	482	489	39.0	40.4	39.2	10.49	11.49	12.48	10.22	11.59
La Crosse (County)	349	382	341	39.3	41.2	38.7	8.89	9.27	8.80	8.80	8.95
Madison (Dane County)	400	411	396	40.4	41.8	41.8	9.89	9.84	9.48	9.54	9.39
Manitowoc (County)	376	399	365	39.1	41.0	39.1	9.62	9.72	9.33	9.34	9.36
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	493	502	477	41.6	42.5	41.3	11.85	11.82	11.54	11.13	11.13
Racine (County)	433	438	402	40.1	40.5	38.9	10.80	10.82	10.34	10.48	10.47
Sheboygan (County)	376	391	392	40.0	41.6	39.5	9.39	9.39	9.92	9.25	9.22
Wausau (Marathon County)	413	417	398	41.3	42.2	42.2	10.00	9.87	9.44	9.67	9.41

EMPLOYMENT, MFG. (Unadjusted) JANUARY	(In Thousands)			Percent Change	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
United States	19,268.0	19,387.0	19,403.0	-0.6	-0.7
Wisconsin	508.0	512.9	507.4	-1.0	0.1
Selected Areas					
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	49.2	49.4	46.5	-0.4	5.8
Beloit (City)	5.2	5.2	5.5	0.0	-5.5
Eau Claire (Eau Claire-Chippewa)	9.1	9.4	9.0	-3.2	1.1
Fond du Lac (County)	10.1	10.2	10.9	-1.0	-7.3
Green Bay (Brown County)	23.2	23.3	22.5	-0.4	3.1
Janesville (City)	11.0	10.9	10.9	0.9	0.9
Janesville-Beloit (Rock County)	17.8	18.2	18.3	-2.2	-2.7
Kenosha (County)	9.7	12.4	15.1	-21.8	-35.8
La Crosse (County)	10.8	10.9	10.7	-0.9	0.9
Madison (Dane County)	20.8	20.8	20.3	0.0	2.5
Manitowoc (County)	11.6	11.7	11.8	-0.9	-1.7
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	171.1	171.7	173.4	-0.3	-1.3
Racine (County)	24.1	24.1	23.3	0.0	3.4
Sheboygan (County)	17.9	18.0	18.9	-0.6	-5.3
Wausau (Marathon County)	10.6	11.0	10.3	-3.6	2.9

WISCONSIN'S ECONOMIC OUTLOOK

by David H. Peterson and Gene Schubert

Department of Revenue

The national economic outlook for the remainder of this year remains cautiously optimistic, as the good news of lower oil prices is offset by the prospect of reduced fiscal stimulus due to the spirit--if not the letter--of Gramm-Rudman. The net result may be slightly higher real growth (3.5% in 1986) offset by lower inflation.

The drop in oil prices below $20, if it can be sustained, would tend to hold down inflation, while enabling additional spending by consumers that otherwise would be siphoned to oil producers. However, the oil price situation is very volatile. No one can be certain whether oil prices will hold at current levels, move further down, or reverse direction and move back up as a result of possible future OPEC actions. Furthermore, consumers may decide to increase their currently low savings rate, so that consumer spending may not rise in line with oil price cuts.

On the negative side, the current attempts to reduce the federal budget deficit through either the Gramm-Rudman mechanism or discretionary cuts through the traditional method of creating a federal budget, will, on balance, reduce the economic growth rate through a withdrawal of fiscal stimulus. The reduced fiscal stimulus could be offset by a more accommodative monetary policy, but there is as yet no indication that the Federal Reserve is ready to move in that direction. However, if prospects for low inflation stabilize, it is increasingly likely that the Fed will be able to move towards monetary easing.

Consumption

The forecast for 1986 is still guardedly optimistic. After a strong gain of 2.0% in December, consumption in January was weak. The outlook is for 5.8% growth in consumption this year. Since the consumer has financed the last three years of spending growth by acquiring unprecedented levels of debt and by cutting back on saving, some slowdown in consumer spending should be expected as normal.

Business Investment

The investment outlook for this year is also expected to be moderate, as spending on structures is likely to be restrained in response to overbuilding in commercial and office space. There may be some anticipatory spending this year in advance of tax reform measures, but this comes at the expense of 1987. Inventories, subject to the usual unpredictable swings, are likely to remain fairly lean; the cost squeeze created by more rapid increases in labor costs than in goods prices has forced firms to reduce inventories. The declining dollar will also place less reliance on imports, thus reducing the need for higher inventory stock as a buffer for uncertain delivery times.

Exports and Imports

Lower oil prices mean better prospects for growth for many of our major trading partners. Oil producers such as Canada, Great Britain and Mexico are an exception. Also, due to the dollar's decline, U.S. exports are projected to grow substantially faster than the world economy over the next two years.

Among imports, non-auto consumer goods are among the most price-sensitive. Following increases averaging almost 17% over the last two years, imports

in this category are projected to grow only 8.8% this year and 0.9% in 1987. Capital goods imports are also price-sensitive, but the weakness in this area over the next two years reflects the slowdown in domestic investment spending. Even as the dollar continues to decline, the improvement in the U.S. trade balance will be slow.

Prices, Wages and Interest Rates

The good news on oil prices is expected to feed through quickly to the broader measures of inflation such as the GNP deflator and the Consumer Price Index. The CPI is projected to increase only 2.6% this year, while wholesale prices decline by 2.3 percent.

Wage pressures are still subdued, but some modest gains in productivity should translate into compensation-per-hour gains of about 4.2% this year, and 4.8% in 1987. It is assumed that the Federal Reserve will continue to allow the money supply to expand modestly and that interest rates will continue to decline. Three-month treasury bills are expected to yield an average of 6.8% this year, down slightly from current levels. New high-grade corporate bonds also will reflect better expectations of inflation, yielding 9.4% this year, down from an average of 11.0% in 1985.

Wisconsin Outlook

Recent national economic developments--the oil price decline, falling interest rates and the prospect for a smaller federal budget deficit--have positive long-term implicaitons for the Wisconsin economy. However, the degree of uncertainty regarding the near future has increased.

The oil price decline is good news for the U.S. economy and even better news for the Wisconsin economy. However, tremendous uncertainty exists regarding future oil prices. Prices could fall further or rebound to previous levels. The current forecast assumes stability at the current level. The lower oil price is positive for the U.S. economy because as a nation we are a net consumer of oil. Those regions of the country that produce oil are being hurt by the oil price decline. For Wisconsin, which is purely a consumer state with no production, the oil price decline is a positive event with no offsetting loss. The immediate effect of the oil decline is an increase in consumer purchasing power, but not nominal income. In fact, a falling oil price, by reducing the rate of inflation, may reduce the growth in nominal personal income. Nevertheless, increased consumer purchasing power should increase demand for consumer goods, particularly for consumer durables which respond strongly to changes in real incomes. This is a plus for Wisconsin manufacturing.

The recent decline in interest rates is also a positive for durable goods producers. The decline anticipates a switch in federal monetary and fiscal policy in which fiscal policy would become more restrictive and monetary policy would become less restrictive. The Gramm-Rudman budget process is the key to this policy switch, and the fate of the budget balancing initiative is still highly uncertain.

Nonfarm employment increased in the fourth quarter of 1985 at an annual rate of 3.6%, reversing the decline in the third quarter. The increase is welcome after the disappointing performance of the second and third quarters. The current analysis indicates that the employment decline shown for the third quarter may have been exaggerated by the technical

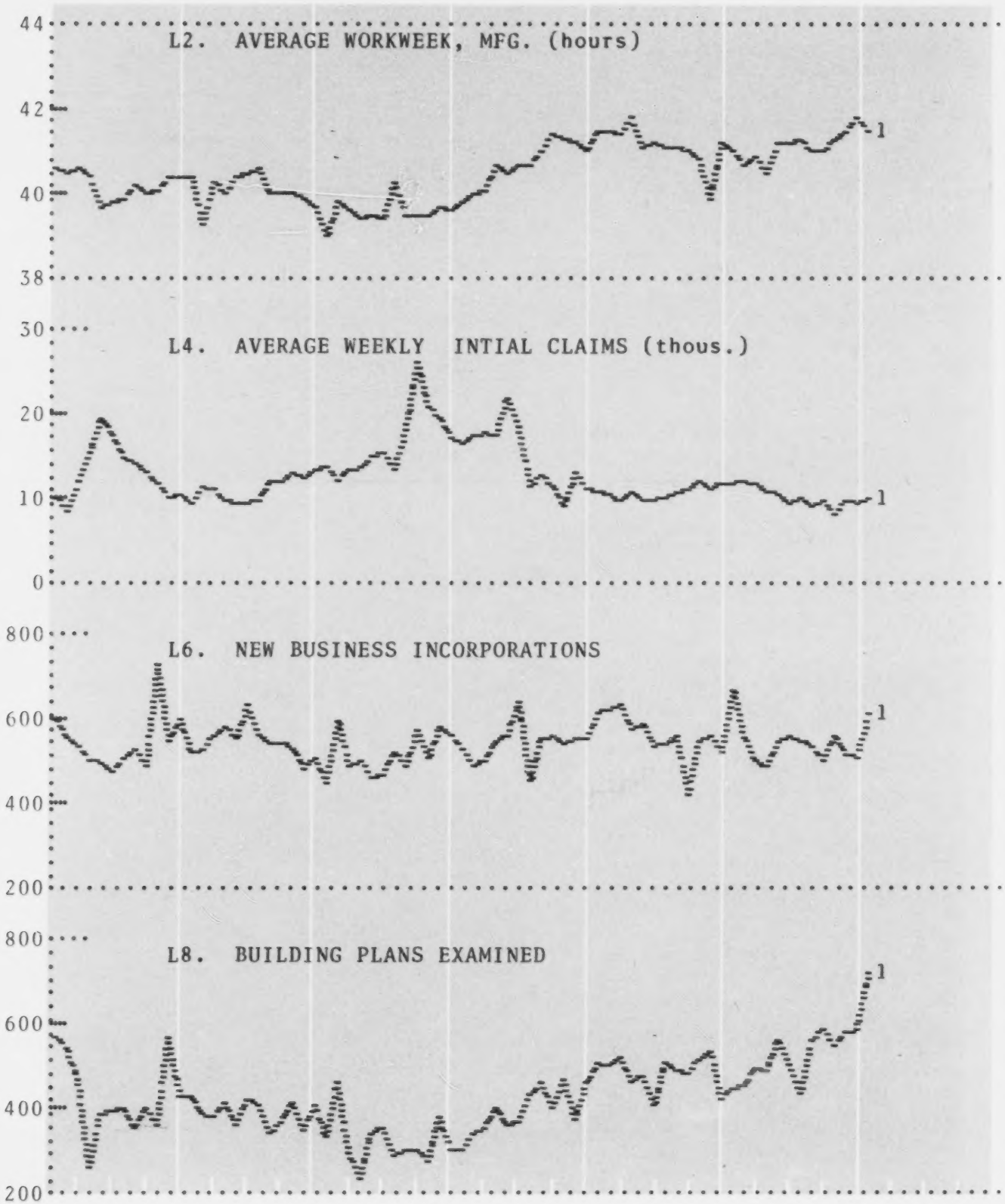
(Continued on back cover)

WISCONSIN EMPLOYMENT FORECAST
(Thousands of Workers, Annual Average)

	1983	1984	1985	1986	1987
MANUFACTURING	487.2	517.9	514.4	520.1	527.6
DURABLES	298.7	321.7	316.5	321.1	326.5
LUMBER PRODUCTS	20.2	21.5	21.7	23.0	23.2
STONE, CLAY, GLASS	7.8	7.4	7.1	7.3	7.7
PRIMARY METALS	17.6	19.9	19.8	20.1	20.6
FABRICATED METALS	48.6	50.9	49.2	50.0	53.0
NON-ELECT. MACHINERY	92.7	102.3	101.8	104.0	104.5
ELECTRICAL MACHINERY	49.1	52.6	50.2	49.4	49.0
TRANS. EQUIPMENT	33.3	36.1	34.4	34.6	35.2
OTHER DURABLES	29.3	31.1	32.4	32.7	33.4
NONDURABLES	188.5	196.2	197.9	199.0	201.1
FOOD PRODUCTS	61.7	62.7	63.3	63.1	63.1
PAPER PRODUCTS	46.7	47.2	47.1	46.9	47.5
PRINTING & PUBLISHING	33.6	36.2	37.6	38.6	40.1
CHEMICALS	9.3	9.8	9.9	10.0	9.8
RUBBER & PLASTICS	17.7	20.5	21.0	21.5	21.4
OTHER NONDURABLES	19.5	19.6	19.0	19.0	19.1
MINING	1.9	1.8	1.7	1.8	2.0
CONSTRUCTION	57.7	58.3	60.4	60.1	63.9
TRANS., COMM., UTILITIES	87.1	88.1	90.2	89.8	91.3
FINANCE, INSUR., REAL EST.	98.6	102.2	106.6	110.1	114.7
TRADE	433.3	453.8	472.0	482.4	496.6
SERVICES	388.6	403.9	419.2	428.8	442.2
GOVERNMENT	312.4	313.4	322.1	324.9	321.2
TOTAL EMPLOYMENT (Nonfarm)	1866.7	1939.4	1986.6	2017.8	2059.4

Section

D CYCLICAL INDICATORS



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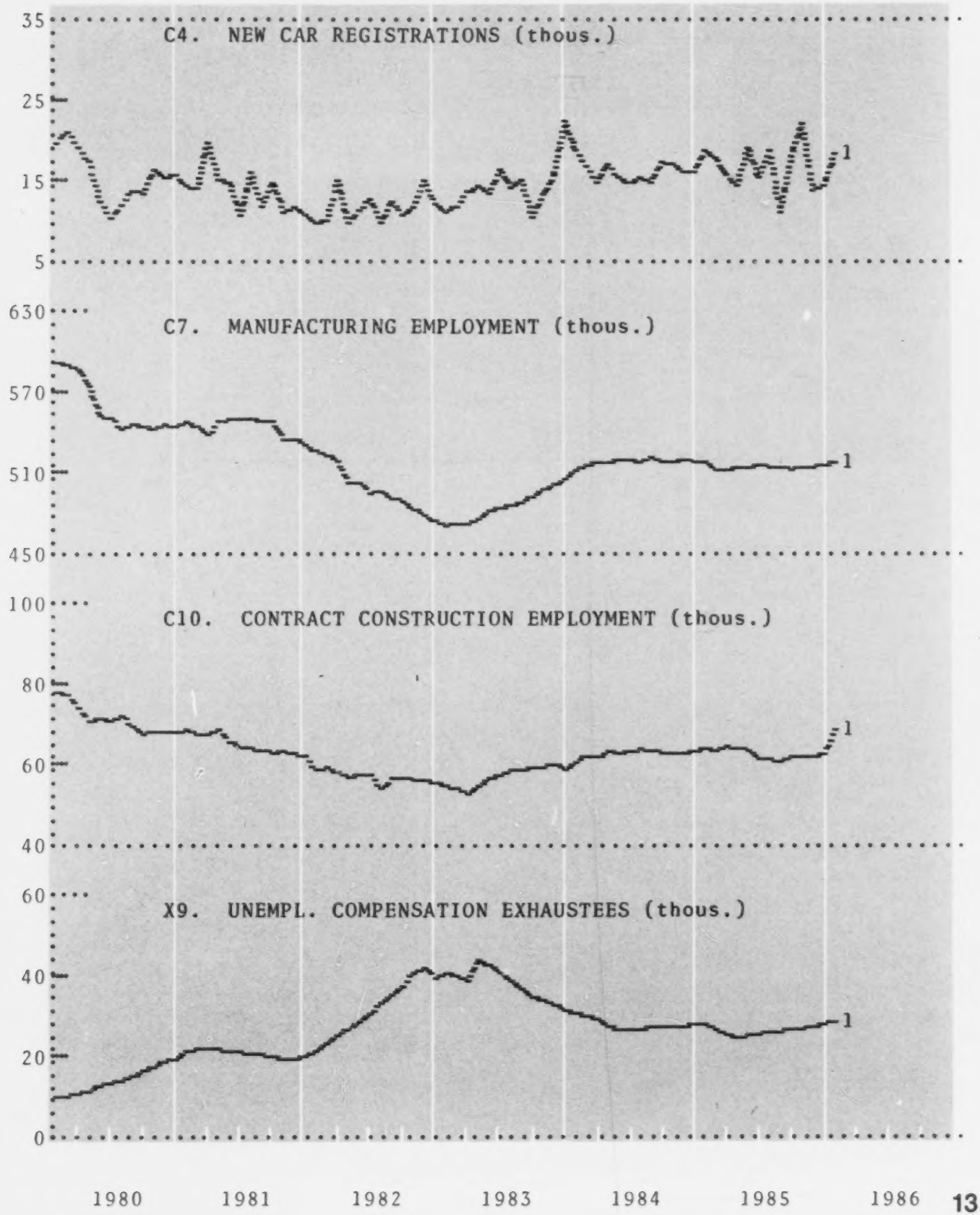

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(Continued from page 10)

problems with the seasonal adjustment of local government employment. Nevertheless, the fourth quarter results are consistent with our forecast for continued moderate employment growth.

The current forecast for the Wisconsin economy is cautiously optimistic. Nonfarm employment is forecast to increase 1.6% in 1986 and 2.1% in 1987.

The current forecast for employment is for steady growth through 1987 at a rate similar to that previously forecast. Trade and service employment is expected to continue to grow at above average rates (2% to 3%) reflecting the continuing shift toward a "service economy". Manufacturing employment will grow at below average rates of 1 to 2 percent.

Wisconsin personal income is forecast to increase by 4.2% in 1986 and 5.5% in 1987. These rates are slightly higher in 1986 and slightly lower in 1987 than previously forecast. On average, the projected level of personal income is largely unchanged. Wages and salaries are forecast to grow 5.0% in 1986 and 5.9% in 1987. The level of wage and salary income is somewhat higher in the current forecast than in the previous forecast, however this increase is offset by a lower forecast for interest income. The forecast for interest income has been lowered due to the lower level of interest rates.